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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

Pat Donovan  
544

18 FEB 1993

IN REPLY REFER TO:

92-266

8310-MEA  
CN9300433

RECEIVED

MAR 22 1993

Honorable Robert S. Walker  
House of Representatives  
2369 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Walker:

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Thank you for your letter on behalf of A. D. Harris of Downingtown, Pennsylvania. Your constituent complains that cable television rates have increased in advance of the implementation of the Cable Act of 1992.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully, and will consider the conduct of the cable industry during the interim period in deciding what kind of regulation is needed.

Your constituent's letter will be placed in the record of this proceeding so that the Commission can be mindful of his concerns during its deliberations. I trust that the foregoing and the enclosures are informative.

Sincerely,

Roy J. Stewart

Roy J. Stewart  
Chief, Mass Media Bureau

Enclosures

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# Congressional

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CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM  
02/08/93

LETTER REPORT

| CONTROL NO. | DATE RECEIVED | DATE OF CORRESP | DATE DUE | DATE DUE OLA(857) |
|-------------|---------------|-----------------|----------|-------------------|
| 9300433     | 02/08/93      | 02/04/93        | 02/19/93 |                   |

| TITLE       | MEMBERS NAME    | REPLY FOR SIG OF |
|-------------|-----------------|------------------|
| Congressman | Robert S Walker | BC               |

| CONSTITUENT'S NAME | SUBJECT                                 |
|--------------------|-----------------------------------------|
| A D Harris         | inq. re: rate regulation & 92 Cable Act |

| REF TO | REF TO     | REF TO       | REF TO |
|--------|------------|--------------|--------|
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| DATE     | DATE          | DATE       | DATE |
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| 02/08/93 | <i>2-8-93</i> | <i>2-8</i> |      |

REMARKS:

8 FEB REC'D

ROBERT S. WALKER  
16TH DISTRICT, PENNSYLVANIA  
CHIEF DEPUTY REPUBLICAN WHIP

COMMITTEE:  
REPUBLICAN CHAIRMAN  
SCIENCE, SPACE, AND TECHNOLOGY

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3816**

February 4, 1993

*MMB  
catv-rates  
433*

STAFF IN CHARGE:  
CONNIE L. THUMMA  
WASHINGTON OFFICE  
MARC T. PHILLIPS  
DISTRICT OFFICES

Ms. Sherie Marshall  
Chief, Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Ms. Marshall:

I am writing to you on behalf of my constituent, A.D. Harris, who has enlisted my assistance. My constituent has requested that I forward the enclosed letter to you. Thank you for your cooperation in this regard.

Cordially,

*Bob Walker*  
Robert S. Walker

ds  
Enclosure

JAN 27 1993

A. D. Harris  
703 Dovercourt Place  
Downingtown, PA 19335

REF: cable rate

FCC  
1 Oxford Valley Office Building  
Room 404  
2300 East Lincoln Highway  
Langhorne, PA 19047

Dear Sirs:

On October 5, 1992, the U.S. Congress enacted into law the 1992 Cable Act, in response to outcries against hefty rate increases imposed virtually every year by cable television companies. By bringing into law this Act, Congress was ordering the Federal Communications Commission (FCC) to act on these unfair increases.

Unfortunately, in Chester County, Suburban Cable TV is trying to circumvent the law. Suburban Cable TV has increased its annual hike by a greater percentage than the previous two years. Below is the cost per month and percent of increase by year since 1990. These increases total a 42.9% increase since January, 1990 --- more than three times the inflation rate.

| <u>Year</u> | <u>Monthly Cost in \$</u> | <u>Annual Increase in %</u> |
|-------------|---------------------------|-----------------------------|
| 1990        | 15.95                     | 14.3                        |
| 1991        | 17.45                     | 9.4                         |
| 1992        | 18.94                     | 8.6                         |
| 1993        | 20.95                     | 10.6                        |

Attached is a letter from Suburban Cable TV explaining its rate increase of 10.6%, scheduled for January 1, 1993. The company claims that costs in the past year (labor, maintenance, insurance, equipment, etc.) have escalated sharply. I question such a statement: I run a large business in this area, and our costs have risen approximately 2.5-3.0%, not 10.6%.

Suburban Cable TV also states in the letter that it has expanded its channel line-up. This may be true, but such an expansion was not at this customer's request. And, though I did not ask for it, I have to pay for it.

The FCC needs to attend to Suburban Cable TV's rate increases and programming practices, examining whether or not they are ethical and justified.

Sincerely,

A. D. Harris

A. D. Harris

1/20/93

cc: FCC (Washington, D.C.)  
Robert Walker, 16th Congressional District

Congressman Walker - I have sent this to your attention for your information and knowledge. I would appreciate

# SUBURBAN CABLE TV

P. O. BOX 351  
COATESVILLE, PA. 19320



November, 1992

Dear Valued Customer:

As you may be aware, on October 5, 1992, the U.S. Congress enacted into law the 1992 Cable Act. As provided by that legislation and subsequently defined by the Federal Communications Commission (FCC), cable subscribers will experience changes in channel line-ups, such as the introduction of tiers (different levels of service) and adjustments to the cable bills. For a brief explanation of some of the provisions contained in the bill, please refer to the following:

Within one year, guidelines for the price of the basic tier of cable programming will be set by the Federal Communications Commission (FCC). This basic tier will consist of all local broadcast stations (such as KYW-3, WPVI-6, WCAU-10, WPHL-17, etc.), C-SPAN and other local community access channels. The FCC will establish guidelines to be used by those municipalities that elect and are qualified to oversee basic cable rates. The government authorized prices will include the cost of cable operators compliance with the many new requirements in the bill, such as payment to local broadcasters and meeting equipment standards. Rate regulation *does not* necessarily mean a rate decrease. The exact cost of complying with these rules is impossible to determine at this time.

Suburban Cable will continue to carry all of the popular cable programming services (such as AMC, ESPN, CNN, etc.), however, sometime next year, they may be offered on an optional tier, separate from the newly defined "basic" service. Rates for premium channels and pay-per-view will not be regulated.

The new requirements state that a cable company must devote one-third of its channel line-up to local station carriage. Broadcast stations must choose between the right of assured carriage ("must carry") or retransmission consent. If the broadcasters choose retransmission consent, they can negotiate for payment, in return for allowing the signal to be carried.

There are numerous other provisions contained in this legislation. As new guidelines are created by the FCC, we will keep you advised of all important changes.

We are pleased with our record in providing excellent customer service and programming choices. Over the past years, we have continually expanded our channel line-up, enhanced the quality of programming, including the introduction of pay-per-view service, and increased system reliability by investing in fiber optics. Suburban Cable experienced sharply escalating costs in the past year such as labor, insurance, system maintenance, equipment, programming fees, franchise fees, and copyright fees. Suburban Cable rates have always been less or equal to other cable operators in the market. Reasonable increases, however, are necessary to operate our business with a high degree of customer service and reliability; therefore, effective Jan. 1, 1993, the basic cable rate will be adjusted to \$20.95.

If you are interested in adding more value to your cable service, we invite you to take advantage of a special installation offer on several of our popular premium services. Call before Dec. 31 and we will give you a subscription to Cinemax or